
OPEB Commission

October 23, 2012



Agenda

1. Approval of minutes of September 25, 2012 meeting

10:00am

2. Review of principles, process, and potential strategies

10:10am

3. Additional information

10:30am

- EGWP (Aon, GIC)
- VEBA (Segal) [brief introduction, to be discussed in-depth at next meeting]

4. Actuarial analysis [materials to be distributed at the meeting]

11:00am

- Baseline
- Preliminary views on analysis of savings estimates at state-level
- Timeline going forward
- Impacted populations

5. Additional considerations with regard to benefit changes

11:45am

- Part-time policy
- Survivor benefits

6. Recap and discussion of potential strategies

12:05pm

7. GIC report on new health plan procurement reflecting MA health care cost containment law

12:35pm

8. Adjournment

12:45pm

Proposed Principles and Considerations

Commitment to Intergenerational Equity

- Avoid shifting costs onto future generations
- Honor health care promise to retired career employees

Competitive Compensation Packages to Attract Employees

- Including quality, affordable health care for retirees

Urgent Need for Sustainable Government

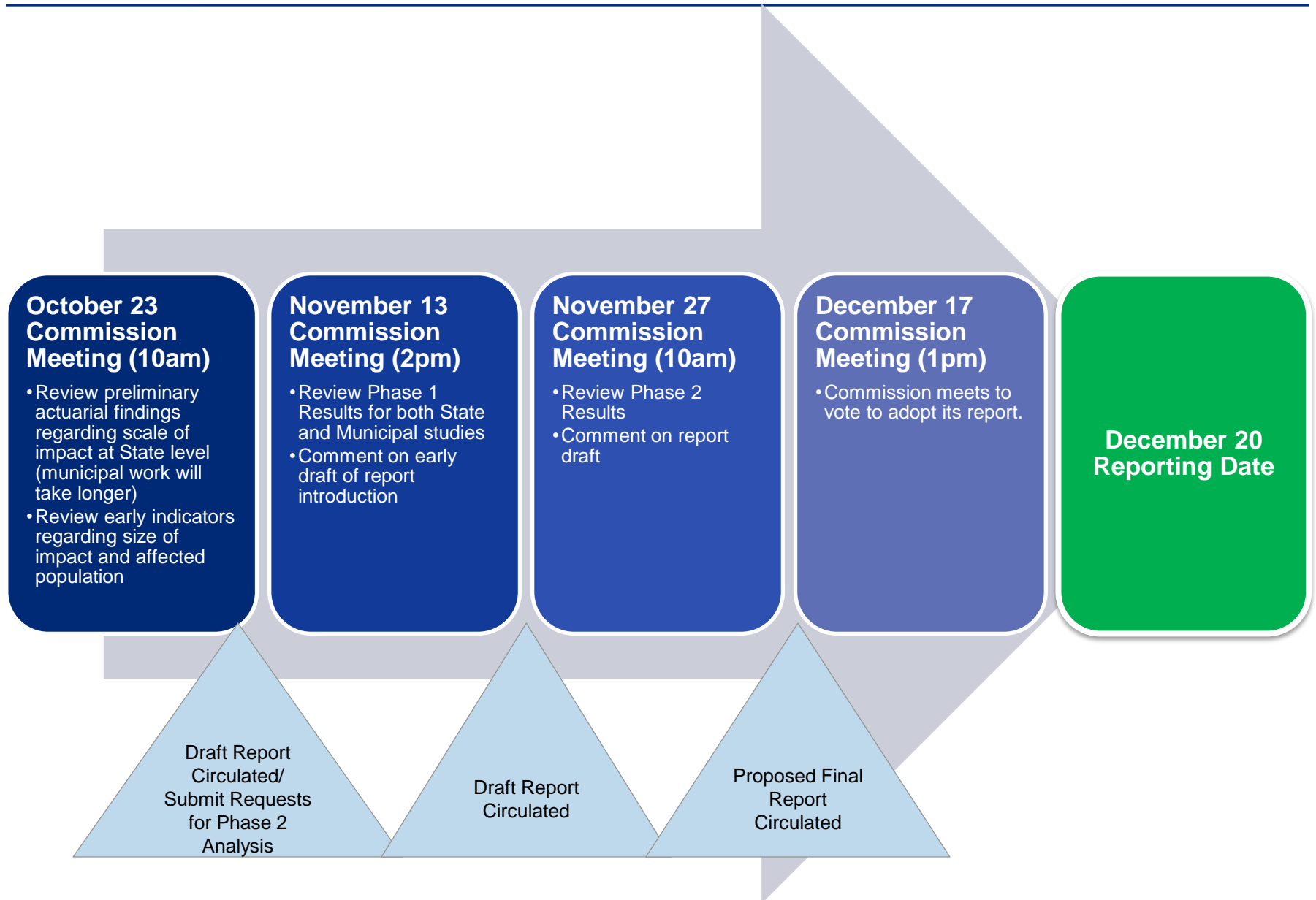
Prudent Allocation of Taxpayer Dollars Among Critical Services

- Transportation, education, benefits, etc.
- Maintenance of credit ratings

Alignment with Recent Changes to State and Federal Health Care Programs

- With a focus on access and cost control

Process and Calendar



Review of Potential Strategies

- Benefit Design
 - Minimum age and/or minimum years of service (YOS)
 - Pro-rating
 - Part-time worker requirements
 - Spousal benefits, survivor benefits, hazardous employees benefits, continuing service requirements
- Cost Containment
 - Index to inflation
 - Establish metrics with automatic alarm or mechanism if cost growth metric is unsustainable
- Employee Funding
 - Active contributions
 - Voluntary employees' beneficiary association (VEBA)
 - Sick leave/vacation leave funding
- Good Governance
 - Employee group waiver plan (EGWP)
 - Procurement